ACID RAIN PROGRAM PERMIT

Southern Illinois Power Cooperative

Attention: Leonard F. Hopkins, Designated Representative

11543 Lake of Egypt Road

Marion, Illinois

Oris No.: 976

IEPA ID No.: 199856AAC

Source/Unit: Marion/Unit 4, CFB Unit 123, Combustion Turbine (CT) Units

5 and 6

Date Received: December 16, 2004

Date Issued:

Effective Date: January 1, 2005 Expiration Date: December 31, 2009

STATEMENT OF BASIS:

In accordance with Titles IV and V of the Clean Air Act, the Illinois Environmental Protection Agency is issuing this Acid Rain Program permit to the Southern Illinois Power Cooperative for its Marion facility.

SULFUR DIOXIDE (SO_2) ALLOCATIONS AND NITROGEN OXIDES (NO_x) LIMITS FOR EACH AFFECTED UNIT:

CFB Unit 123 or 4 of 40 CFR 6,517 6,517 6,517 6,517 6,5	SO ₂ Allowances, Under Tables 2, 3,	2005	2006	2007	2008	2009	
Nitrogen Ovide These units are not subject to a NO emissions	or 4 of 40 CFR	6,517	6,517	6,517	6,517	6,517	
(NO _x) limit limitation pursuant to 40 CFR Part 76.	Nitrogen Oxide	These units are not subject to a NO _x emissions limitation pursuant to 40 CFR Part 76					

* SO₂ allocation for Boilers 1, 2 and 3, which were repowered by new CFB Boiler 123.

UNIT 4	SO ₂ Allowances,	2005	2006	2007	2008	2009
	under Tables 2, 3, or 4 of 40 CFR Part 73	6,839	6,839	6,839	6,839	6,839

	NO _x limit	0.86 lb/mmBtu (Standard limit for cyclone fired boilers)					
CT 5 and	SO ₂ Allowances, under Tables 2, 3, or 4 of 40 CFR Part 73	2005 None	2006 None	2007 None	2008 None	2009 None	
	NO _x limit	These units are not subject to a NOx emissions limitation pursuant to 40 CFR Part 76.					

PERMIT APPLICATION: The permit application, which includes the NOx compliance plan, SO₂ allowance requirements and other standard requirements is attached and incorporated as part of this permit. The owners and operators of this source must comply with the standard requirements and special provisions set forth in the application.

COMMENTS, NOTES, AND JUSTIFICATIONS:

This permit contains provisions related to SO_2 emissions and requires the owners and operators to hold SO_2 allowances to account for SO_2 emissions from the affected units. An allowance is a limited authorization to emit up to one ton of SO_2 during or after a specified calendar year. Although Marion Units CT 5 and 6 are not eligible for an allowance allocated by USEPA, the owners or operators may obtain SO_2 allowances to cover emissions from other sources under a marketable allowance program. The transfer of allowances to and from a unit account does not necessitate a revision to the unit SO_2 allocations denoted in this permit (See 40 CFR 72.84).

This permit contains provisions related to NOx emissions requiring Marion Unit 4 to comply with applicable emission limitations for NOx under the Acid Rain program. Pursuant to 40 CFR 76, the Illinois EPA is approving NOx standard emission limitation compliance plan for Marion Unit 4. The compliance plan is effective for calendar years 2005 through 2009. Under the compliance plan, annual average NOx emission rate for each year for Marion Unit 4, shall not exceed the applicable emission limitation, under 40 CFR 76.6(a)(2), of 0.86 lb/million Btu for cyclone fired boilers, determined in accordance with 40 CFR Part 75.

In addition to the described NO_X compliance plan, each unit shall comply with all other applicable requirements of 40 CFR Part 75 and 76, including, the duty to reapply for a NO_X compliance plan, and requirements covering excess emissions.

This permit does not affect the source's responsibility to meet all other applicable local, state and federal requirements, including state requirements under 35 III. Adm. Code Part 217 Subpart W, which addresses NOx emissions from these units.

If you have any questions regarding this permit, please contact Kunj Patel at 217-782-2113.

Donald E. Sutton, P.E. Manager, Permits Section Division of Air Pollution Control

Dynegy Midwest Generation Wood River Acid Rain Phase II Permit Page 4

cc: Cecilia Mijares, USEPA Region V John Justice, IEPA Region 3



Acid Rain Permit Application

For more information, see instructions and refer to 46 OFR 72.35 and RE31

DEC 1 6 2004

IEPA-DAPC-SPFLD.

This submission is: New Revised

STEP 1

SOUTHERN ILLEWASS POWER COOP. PRINTE MARION STR. SHE IL ORIGINA 0976

identify the source by plant name. State, and ORIS code.

STEP 2

		4		d
Unit iD#	Unit Will Hold Alcovarions in Accordance with 40 CFR 72.9(c)(1)	New Linits. Commence Commisson Data		New Units Story Confidention Deading
UNIT 4	•			
UNIT 123	@			
UNZT 5	9			
UNIT 6	9			
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	Yes			
	Yes			
	Yes			-5102-211
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	Yes		100	S. Collect
	Yes		-	

SOITHERN IL POWER COOP. Clare Hame (hom 3 to 1) MARSON STATEON

Permit Requirements

STEP 3

requirements

(1) The designated representative of each affected source and each a fected unit at the

source shall:

(i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30, and with the deadlines specified in 40 CFR 72.30, and

(ii) Submittin a timely manner any supplemental information that the primitting authority determines is necessary in order to review an Acid Ratin permit application and issue or deny an Acid Rain permit;

(2) The owners and operators of each affected source and each affected unit at the source shall:

(i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; en (ii) Have an Acid Rain Permit.

Monitoring Requirements

(1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring. requirements as provided in 40 CFR part 75.

requirements as provided in 40 CFR part 75.

(2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide an introgen oxides under the Acid Rain Program.

(3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other wovisions of the operating permit for the source.

Sulfur Dioxide Requirements

(1) The owners and operators of each source and each affected unit at the cource chall: (i) Hold allowances, as of the allowance transfer deadline, in the tinit's compliance subaccount (after deductions under 40 CFR 73.34(c)), or in the compliance subaccount of another affected unit at the same source to the extent provided in 40 CFR 73.35(b)(3), not less than the total annual emissions of sulfur diuxida for the previous calendar unar form the total annual emissions of sulfur diuxida for the previous

calendar year from the unit; and
(ii) Comply with the applicable Acid Rain emissions limitations for suitur dioxide.
(2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
(3) An affected unit shall be subject to the requirements under paragrap (1) of the sulfur dioxide requirements as follows:
(5) Station (assess) 1, 2000, or effected unit under 40 CCR 22 8(4)); here

(i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(1); or (ii) Starting January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).

(4) Allowances shall be held in, deducted from, or transferred among Alix wance Tracking System accounts in accordance with the Acid Rain Program.

(5) An allowance shall not be deducted in order to comply with the æq arements under paragraph (1) of the sulfur dioxide requirements prior to the carendar year for which the allowance was allocated.

(6) An allowance allocated by the Administrator under the Acid Rein Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be concluded to limit the authority of the United States to terminate or limit such authority of the United States to terminate or limit such authority of the Administrator under the Acid Rain Program does not constitute a property right.

STEP 3.

Nitrogen Oxides Requirements The owners and operators of the course and each affected unit at the source shall comply with the applicable Acid Rain en issions limitation. for nitrogen oxides.

Excess Emissions Requirements

(1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 4.3 CFR part 77.
(2) The owners and operators of an affected unit that has excess imposors in any calendar year shall:

(i) Pay writhout demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
(ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

(1) Unless otherwise provided, the owners and operators of the source: indeach affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period hay be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or capacities. authority

(i) The certificate of representation for the designated representative (or the source and each affected unit at the source and all documents that demonstrar a the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on a tell at the source beyond such 5-year period until such documents are superseded because of the authmission of a new certificate of representation changing the designated

representative;

(ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for report feeping, the 3-year period shall apply.

(it) Copies of all reports, compliance certifications, and other sub hissions and all records made or required under the Acid Rain Program; and.

(iv) Copies of all documents used to complete an Acid Rain permit ap xication and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

(2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, Including shose under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability

(1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an examption under 40 CFR 72.7 or 72.8, including any requirement for the paymeilt of any penalty owed to the United States, shall be subject to onforcement pursuant to ledium 113(c) of the Act.

the Act.

(2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be sut ject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.

(3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.

(4) Each affected source and each affected unit shall meet the requirer ands of the Acid Rain Program.

SOUTHERN ILLENOIS POWER CONT STREETEN STREETEN Plant Name (from Step 1)

Step 3,

Liability, Cont'd.

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source. (b) Any provision of the Acid Rain Program that applies to an affecter unit (including a provision applicable to the designated representative of an affected unit is shall also apply to the owners and operators of such unit. Except as provided under 40 (FR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO, averaging plans I, and except with regard to the requirements applicable to units with a common stack und w 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators a id the designated representative of one affected unit shall not be liable for any visial on by any other affected unit of which they are not owners or operators or the designation of approximation of which they are not owners or prevalence of the designation of the design

(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 17, and 78 by an affected source or affected unit, or by an owner or operator or designatiod representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as: (1) Except as expressly provided in title fV of the Act, exempting or exchaining the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the ...ct, including the provisions of title I of the Act relating to applicable National Ambient Air C unity Standards or State implementation Plans;

(2) Limiting the number of allowences a unit can hold; provided, that the number of allowences held by the unit shall not affect the source's obligation to emply with any other providens of the Act;

other provisions of the Act;

(3) Requiring a change of any kind in any State law regulating electric utility roles and charges, effecting any State law regarding such State regulation, or lin titing such State regulation, including any prudence review requirements under such State law, (4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or, (5) Interfeding with or impairing any program for competitive bidding for power supply in a State in which such program is established.

STEP 4 Certification

EPA

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I cert by under penelty of law that I have personally examined, and am familiar with, the datements and information submitted in this document and all its attachments. Besed in my inquiry of those individuals with primary responsibility for obtaining the information. I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am awars that there are significant penalties for submitting files statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Nairqe	LEONARD F.	HOPKINS, P.E.
Signature (m. 12-13)	and of lights	Dec 5/2.2/04

Phase II NO_x Compliance Plan ⊸∠⊘⊲⊤

This subtribution is: Here Provided								
STEP 1 Indicate plant name, Scala, and Olds code from NADB, if applicable	Southe Part Name	FLN IL. MARION		COOPERATIVE TION	II.	0976 ORS Code		
STEP 2	identify each affected Group 1 and Group 2 boiler using the boiler ID# fror . NADB, if applicable. Indicate holder Cper "CP" for and human, "C" for explaine, "C 214" for dry bottom wall-fired, "I" for tangentially fired, "V" for vertically fired, and "VI" for wet bottom. Indicate the compliance option selected for each unit.							
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(b) Standard parent everyone trainings limitation of 0.45 (birrollits flor Phase) tangentially from 0000m)					С			
(c) EPA-approved early election plan under 40 CVR 78.8 through 127107 plan indicate shared emission limit specified in plan	. 🗆				С			
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or Allegated annual articles thereafter for Phase II tangertisky from Orders;	0			0	CI			
(f) Observed greens syringe emission ligaristics of 0.65 february for cell surner boliers)				D	C.	П		
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(h) Standard annual program defination tradector of 0.55 (pirentital flor vertically fined boltom)					С			
(i) Standard arrusal sverage emission limitation of 0.14 forwides for wet bottom boliers)					С			
III RO, Averaging Plan (Include NO, Averaging form)					С			
(h) Common stack personal to 40 CPM 75 Tryo(\$2568A) (h) 45 Tryo(\$2					С			
(i) Common stack pursuant to one 75. Weekblinds with led, Averaging John St. Ho. Averaging Plan box and factor and Stanfalous form?	· □				С			

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Considered Requirements

General. This source is extract to the standard requirements in 40 CFR 72.0 (consistent with: 0 CFR 70.0(s)(100). Thisse requirements are fisted in this source's Add Rain Permit.

Special Provisions for Early Election Units

National Codes: A unit had a governed by an approved citing election past strat be subject to in eministrate hindered hindered hinder 40 CFR 78.59.(§236).

Leading: The services and operators of a unit governed by an approved outlier 40 CFR 78.59.(§236).

Leading: The services and operators of a unit governed by an approved early shadow plan shad. In leader for any violation of the plan or 40 CFR 78.59.(§236). The services are department of the plan or 40 CFR 78.59.(§236). The services are department on an approved early slacked plan history from the services shall be leader by an approved early slacked plan history from these effect. If the designated representation of the plan history from the services of the services are services and control services are services and control services. The services are services are services and control services are services and control services. The services are services are services and control services are services and services are services. The services are services are services are services and services are services and services are services and services are services. The services are services are services and services are services and services are services. The services are services are services are services and services are services are services. The services are services are services are services and services are services are services. The designation services are services and an advanced and services are services are services and services are services and services are services and services are services are services. The services are services are services are services are services are services are services and services are services are services are services and services are services and services are services and services are services are services. The designation services are services are services and services are services are services are services are services and services are services are services are services and services are services are services. The designation s

I am authorized to make his submission on bahall of the owners and operators of the effected output or effected unto be what the materials in made. I confly under ponelty of two that I have presently out white I have presently out white I are limited and are limited with, the statements and information submissed in this document and all its attachments. Besed on my any style of mean nationals with primary recognitible for obtaining the information. I carrier that the statements and information are to the best of that there are agreed any object to the control of or origing required statements and information or origing required statements and information or origing required statements and information, including the posteriory of me or motourness.